

## Health Care Reform Packages from Leadership

	<b>Governor's Proposal</b>	<b>Senate President Pro Tempore Perata's Proposal (SB 48)</b>	<b>Assembly Speaker Nuñez's Proposal: <i>Fair Share Health Care</i></b>
<b>Coverage</b>			
<b>Who is covered?</b>	<ul style="list-style-type: none"> <li>All children, regardless of immigration status.</li> <li>All adults who are legal residents of California.</li> <li>The Administration estimates that 4.8 million Californians are uninsured at a point in time.</li> </ul>	All working Californians and their dependents. Approximately 4.2 million individuals who are currently uninsured.	<ul style="list-style-type: none"> <li>All children in households with incomes up to 300% of the federal poverty level (FPL).</li> <li>Working individuals, including part-time and seasonal workers, and their dependents in firms of two or more employees.</li> <li>Expand coverage to low-income, unemployed and childless adults within five years.</li> </ul>
<b>How does the proposal address self-employed persons?</b>	Under the individual mandate, self-employed persons are required to purchase health insurance.	The proposal is intended to cover self-employed persons. Additional details on the mechanism/structure still need to be fleshed out.	Self-employed persons will have enhanced access to coverage either through a state-level purchasing cooperative or a reformed private insurance market.
<b>How does the proposal address undocumented workers?</b>	The Governor anticipates that counties will provide health coverage (not necessarily a health insurance product but preventative or primary care) by redirecting \$1 billion in funds currently spent on indigent care.	Like Unemployment Insurance and State Disability Insurance, the proposal only covers Californians and their dependents who are working here legally and paying taxes.	All children, regardless of immigration status, would be covered under the Speaker's plan. Unclear how the proposal impacts undocumented adults.
<b>Who is left uncovered?</b>	In theory, all Californians are covered. However, Administration officials acknowledge that there will be "frictionally" uninsured groups – people who have not yet obtained coverage, travelers from other states or countries, workers with temporary visas.	<ul style="list-style-type: none"> <li>Any individual who is not working and does not qualify for Medi-Cal or Medicare, likely a significant portion of the population counties serve under §17000 of the Welfare and Institutions Code.</li> <li>Any individual who declines coverage.</li> <li>Undocumented persons.</li> </ul>	<ul style="list-style-type: none"> <li>Until 2013, any individual who is not working and does not qualify for Medi-Cal or Medicare.</li> <li>Unclear whether an individual can decline coverage.</li> <li>Individuals working for firms with a payroll of \$100,000 or less.</li> <li>Individuals working for certain newly established firms in business for less than three years.</li> </ul>
<b>Does the proposal impact counties' obligations to serve the indigent under §17000 of the Welfare and Institutions Code?</b>	No. The proposal does not propose to alter Welfare and Institutions Code §17000.	No. Does not propose to alter Welfare and Institutions Code §17000.	Unclear how this proposal treats the county obligation to serve indigent adults under Welfare and Institution Code §17000. It does propose to expand coverage to low-income, unemployed and childless adults within

**WORKING DRAFT**

## Health Care Reform Packages from Leadership

	<b>Governor's Proposal</b>	<b>Senate President Pro Tempore Perata's Proposal (SB 48)</b>	<b>Assembly Speaker Nuñez's Proposal: <i>Fair Share Health Care</i></b>
			five years.
<b>Structure</b>			
<b>Role of employer</b>	<p>Employers with 10 or more employees would be required to spend 4 percent of payroll on health care coverage for employees or contribute to a health insurance pool at the state level. If current coverage does not equal 4 percent, the employer would be required to contribute the difference to the state.</p> <p>Employers would be required to establish "Section 125" plans so that employees can make tax-sheltered contributions to health insurance and save employers additional FICA contributions.</p>	<p>All employers would be required to spend a certain percentage, yet to be determined, of social security wages (adjusted on a sliding scale basis) for employee health insurance costs. Employers who choose NOT to provide health insurance could elect to pay an equivalent amount (adjusted for risk) to the Trust Fund. This is a "pay or play" model.</p>	<p>The plan requires employers to contribute to the cost of health care for workers and dependents in a "pay or play" model. Employers can pay for health care or health insurance coverage, or pay a fee, based on a fair share percentage of payroll. For those opting to pay a fee, coverage will be available through a state-level cooperative purchasing program. Excluded from the requirement are firms with a payroll of \$100,000 or less and certain newly established firms in business for less than three years.</p> <p>Requires employers to establish a Section 125 plan.</p>
<b>Role of employee</b>	<p>Includes an individual mandate. All working Californians and their dependents would be required to have a minimum health coverage policy. The minimum health insurance benefit that must be maintained will be a \$5,000 deductible plan with \$7,500 capped contribution for individuals and a \$10,000 capped contribution for families.</p> <p><i>Enforcement:</i> All taxpayers would be required to show proof of health coverage. If proof of insurance is not provided, the state would automatically enroll the individual or family into a health plan and take payroll deductions to pay for the plan.</p>	<p>Includes an individual mandate. All working Californians and their dependents would be required to have a minimum health coverage policy.</p> <p><i>Enforcement:</i> All taxpayers would be required to show proof of health coverage. If proof of insurance is not provided, the individual's tax is computed without the benefit of the personal exemption credit or dependent credit.</p> <p><i>Financial Contributions:</i> Employee contributions equal to a certain percentage of payroll, as yet to be determined, would be collected by the employer.</p>	<p>Includes an individual mandate. All employees who are offered coverage at work will be required to accept the coverage for them and their dependents, provided their fair share of the costs (premium plus expected out-of-pocket costs) does not exceed a reasonable percentage of their income.</p> <p><i>Enforcement mechanism unclear.</i></p> <p><i>Financial Contributions:</i> Employees whose employers choose to pay rather than offer coverage will pay a defined percentage of their income and obtain coverage through the state cooperative purchasing program.</p> <p><i>Tax break for employees:</i> By requiring</p>

**WORKING DRAFT**

California State Association of Counties

January 16, 2007

Page 2

## Health Care Reform Packages from Leadership

	<b>Governor's Proposal</b>	<b>Senate President Pro Tempore Perata's Proposal (SB 48)</b>	<b>Assembly Speaker Nuñez's Proposal: <i>Fair Share Health Care</i></b>
			employers to establish a Section 125 plan, employees will be able to pay their portion of health care premiums with pre-tax, rather than post-tax dollars, using federal and state tax benefits to lower out-of-pocket costs.
<b>Role of State</b>	<p>The Managed Risk Medical Insurance Board (MRMIB) would operate a state purchasing pool for uninsured legal resident adults with incomes between 100-250% of the federal poverty level.</p> <p>The design of the subsidized benefit package will be the responsibility of MRMIB.</p> <p>The state would also change eligibility for Medi-Cal and Healthy Families for children. All children under 100% of the FPL would be eligible for Medi-Cal. All children from 101-300% of FPL would be eligible for Healthy Families. Additionally, the state will pursue a federal waiver to make childless adults up to 100% of the FPL eligible for Medi-Cal.</p>	<p>The Managed Risk Medical Insurance Board (MRMIB) would establish the "Connector" and administer the program. The Connector would act as a purchasing pool for the uninsured.</p> <p>The Connector would develop standards for coverage and negotiate favorable rates by leveraging its purchasing power.</p> <p>The minimum coverage benefit would be determined by MRMIB.</p> <p>To be sure there is an affordable product, the Connector would be authorized to buy coverage through the Medi-Cal Managed Care program.</p> <p>The Perata plan proposed to expand eligibility for Medi-Cal and Healthy Families to parents and children up to 300% of the FPL.</p>	<p>This proposal would establish the California Cooperative Health Insurance Purchasing Program (Cal-CHIPP), administered by MRMIB. CalCHIPP would negotiate and purchase health insurance for employees whose employer chooses the pay option. Individuals and employers will also have the option to buy coverage through the program. Cal-CHIPP will offer at least three uniform benefit designs that will also be offered by all insurers in the private market.</p> <p>In addition, California will maximize federal funds by expanding coverage for low-income families through the Medi-Cal/Healthy Families programs. This proposal calls for a combination of state subsidies and an expansion of Medi-Cal and Healthy Families for those at or below 300% of FPL with sliding scale share of cost sharing based on income.</p>
<b>Financing</b>			
	<p>The Administration's proposal identified \$12 billion in revenues to pay for its plan, including:</p> <ul style="list-style-type: none"> <li>▪ \$203 million from the elimination of Access for Infants and Mothers (AIM) program and Managed Risk Medical Insurance Program (MRMIP);</li> <li>▪ \$1 billion from employer contributions</li> </ul>	<p>A health insurance Trust Fund would be established. Employer contributions and employee fees would be collected by the Employment Development Department (EDD) and deposited into the Trust Fund. Any other dedicated revenues would also be deposited in the Trust Fund. These funds would be used by the</p>	<p>Financial structure is unclear. Awaiting additional detail.</p> <p>This proposal calls for a combination of state subsidies and an expansion of Medi-Cal and Healthy Families for those at or below 300% of FPL with sliding scale share of cost sharing based on</p>

**WORKING DRAFT**

California State Association of Counties

January 16, 2007

Page 3

## Health Care Reform Packages from Leadership

	<b>Governor's Proposal</b>	<b>Senate President Pro Tempore Perata's Proposal (SB 48)</b>	<b>Assembly Speaker Nuñez's Proposal: <i>Fair Share Health Care</i></b>
	<ul style="list-style-type: none"> <li>▪ \$2 billion from “redirecting” county funds;</li> <li>▪ \$3.472 billion in provider and hospital fees. The Administration is proposing that providers contribute 2% of their gross revenues to the state to assist with paying for the proposal. Hospitals would contribute 4% of their gross revenue for the same purpose. This new contribution is based on all revenue – not just Medicaid revenue.</li> <li>▪ \$5.474 billion in increased federal funds as a match for expansions to Medi-Cal and Healthy Families.</li> </ul> <p>The Administration is proposing to take \$1 billion in health Realignment funding from counties. They are proposing to take a portion of vehicle license fees and a portion of sales tax revenue from the Health Account in Realignment. The Administration believes that counties are currently spending \$2 billion on indigent care. The Administration would deposit this \$1 billion in Realignment funding into a health care fund at the state level and would leave the \$1 billion that they believe counties are currently spending on indigent care with us to serve to persons without green cards (undocumented persons and persons with temporary visas), persons not yet enrolled in health plans, and persons visiting California.</p>	<p>Connector to buy health coverage for eligible Californians.</p> <p>All employers would be required to spend a certain percentage, yet to be determined, of social security wages (adjusted on a sliding scale basis) for employee health insurance costs. Employers who choose NOT to provide health insurance could elect to pay an equivalent amount (adjusted for risk) to the Trust Fund. Employee contributions equal to a certain percentage of payroll, as yet to be determined, would be collected by the employer.</p> <p>This plan also proposes securing additional federal funds to defray the cost of the program. The Perata plan proposed to expand eligibility for Medi-Cal and Healthy Families to parents and children up to 300% of the FPL. This expansion would cover 1.2 million parents and 58,000 uninsured children.</p>	<p>income.</p>
<b>How does the plan impact the state General Fund?</b>	The Administration does believe that there is no net impact on the General Fund.	The proposal does not impact state General Fund. Employer and employee contributions to the Trust Fund would be used to pay for plans purchased by the Connector and to pay the federal match	Unclear. Uses the term “state subsidies.” Not sure if this refers to funds from employer and employee contribution OR to state General Fund. May be some state General Fund costs

**WORKING DRAFT**

California State Association of Counties

January 16, 2007

Page 4

## Health Care Reform Packages from Leadership

	<b>Governor's Proposal</b>	<b>Senate President Pro Tempore Perata's Proposal (SB 48)</b>	<b>Assembly Speaker Nuñez's Proposal: <i>Fair Share Health Care</i></b>
		for Medi-Cal and Healthy Families.	associated with the upfront costs of implementing disease management in Medi-Cal and Healthy Families.
<b>Does the plan require federal approval?</b>	Yes. The State believes it needs to submit a federal waiver in order to expand Medi-Cal to childless adults. Additionally, under the Administration's proposal the Medicaid Hospital Financing Waiver negotiated in 2005 would have to be re-negotiated.	<p>The State needs to submit a Medicaid State Plan Amendment to the federal government in order to increase eligibility up to 300% of the FPL.</p> <p>The State will need a Medicaid waiver in order to provide benefits to this newly eligible population. Under the Perata proposal, the expanded Medi-Cal program (up to 300% of FPL) is not intended to be an entitlement and would not have the same benefit structure as for current enrollees. Additionally, the plan proposes to obtain permission from the federal government to waive most of the administrative requirements associated with enrolling in the expanded Medi-Cal program.</p> <p>Please note that a State Plan Amendment is typically easier to obtain than a Medicaid waiver.</p>	<p>The State needs to submit a Medicaid State Plan Amendment to the federal government in order to increase eligibility up to 300% of the FPL.</p> <p>Need additional details on the benefit structure for the newly covered population under Medi-Cal to assess what other federal approval is necessary. However, if the benefit structure for the expansion population is different than it is for current beneficiaries then a Medicaid waiver is necessary.</p> <p>Please note that a State Plan Amendment is typically easier to obtain than a Medicaid waiver.</p>
<b>Plan Choice</b>			
	MRMIB will design the subsidized benefit package for persons between 101-250% of FPL. The subsidized plans will not include vision or dental coverage. However, individuals in the pool can purchase dental and vision coverage at their own expense.	<p>Participating employees would be offered a choice of health plan that provide comprehensive health coverage including medical, hospital, and prescription drug benefits.</p> <p>Contracting health plans would compete on the basis of cost and quality, meaning providers could not fashion plans to attract only healthy individuals. The Connector would establish ground rules for health plans so consumers can</p>	Cal-CHIPP will offer at least three uniform benefit designs that will also be offered by all insurers in the private market.

**WORKING DRAFT**

## Health Care Reform Packages from Leadership

	<b>Governor's Proposal</b>	<b>Senate President Pro Tempore Perata's Proposal (SB 48)</b>	<b>Assembly Speaker Nuñez's Proposal: <i>Fair Share Health Care</i></b>
		make informed choices. Employees would be able to choose selected plans arrayed in three tiers: Plans offered in the first tier would be high quality and low cost and would require modest member co-pays (e.g., HMO type plans), while plans in the higher-level tiers (e.g., PPO type plans) would require members to pay more.	
<b>Cost Containment</b>		Participating health plans would be required to cap administrative costs and profits and implement evidence-based practices that will control growing health care costs.	
<b>Reduced uncompensated care</b>	Currently, all health care purchasers experience higher costs to make up for the costs of serving uninsured persons. As the number of uninsured persons drops, uncompensated care costs will be reduced or eliminated.	Currently, all health care purchasers experience higher costs to make up for the costs of serving uninsured persons. As the number of uninsured persons drops, uncompensated care costs will be reduced or eliminated.	Currently, all health care purchasers experience higher costs to make up for the costs of serving uninsured persons. As the number of uninsured persons drops, uncompensated care costs will be reduced or eliminated. Reducing the number of uninsured persons ensures their access to primary care so they do not unnecessarily use more expensive emergency rooms when they need health care.
<b>Preventive services</b>	<ul style="list-style-type: none"> <li>▪ Increases tobacco cessation services offered through California Smokers' Helpline and maximizes utilization of cessation benefits.</li> <li>▪ Obesity reduction strategies include: a sustained media campaign to encourage healthy choices; community activities to increase access to healthy food in stores and physical activity in schools and neighborhoods; employee wellness programs; and school-based strategies that engage the broader community in obesity prevention</li> </ul>	Requires participating health plans to implement evidence-based practices in the area of preventative services.	All of the state-developed uniform benefit designs will include coverage for primary and preventive care with minimal patient cost sharing, including the essential maintenance medications that allow patients to cost-effectively manage their chronic conditions, such as asthma, diabetes and heart disease.

**WORKING DRAFT**

California State Association of Counties

January 16, 2007

Page 6

## Health Care Reform Packages from Leadership

	<b>Governor's Proposal</b>	<b>Senate President Pro Tempore Perata's Proposal (SB 48)</b>	<b>Assembly Speaker Nuñez's Proposal: <i>Fair Share Health Care</i></b>
	activities.		
<b>Disease Management</b>	Proposes the establishment of a state initiative to create a national model for the prevention and treatment of diabetes.	Requires participating health plans to implement evidence-based practices for case management of chronic diseases.	The state will implement, in every state health coverage program, including the California Public Employees Retirement System (Cal-PERS), Medi-Cal, Healthy Families, and Cal-CHIPP, best practices in the care and treatment of persons with high cost chronic diseases, such as asthma and diabetes. The proposal calls for MRMIB to spearhead professional review and development of best practice standards.
<b>Pay for Performance</b>	Link future Medi-Cal provider and plan rate increases to specific performance improvement measures, including measuring and reporting quality information, improvements in health care efficiency and safety, and health information technology adoption.		The state will take the lead by initiating a common Pay for Performance model in every health coverage program receiving state dollars.
<b>Technology</b>	<ul style="list-style-type: none"> <li>▪ Provide state leadership and coordination to achieve 100% electronic health data exchange in the next 10 years.</li> <li>▪ Improve patient safety through universal e-prescribing by 2010.</li> <li>▪ Accelerate Health Information Technology (HIT) by leveraging state purchasing, including support for uniform interoperability standards and HIT adoption, such as e-prescribing.</li> <li>▪ Support consumer empowerment through the use of standardized Personal Health Records.</li> <li>▪ At the county level, pilot an Electronic Medical Records system utilizing requirements under the Mental Health Services Act to create an integrated network of care for mental health</li> </ul>	Requires participating health plans to implement evidence-based practices for promotion of health information technology and rational use of new technology.	<i>Personal health records.</i> All health plans and providers will be required to participate in an Internet-based personal health record (PHR) system, modeled after existing successful programs. PHRs allow patients to have greater personal responsibility for and access to their own health care records, from any computer with Internet access. Health care providers can access the PHR for information about medical tests, hospitalizations and other prior medical care at the point of service, regardless of the provider's computer system or software. Personal health records promote increased efficiency, health care quality and accessibility of information, and can reduce medical errors and duplication in the health care

**WORKING DRAFT**

California State Association of Counties

January 16, 2007

Page 7

## Health Care Reform Packages from Leadership

	<b>Governor's Proposal</b>	<b>Senate President Pro Tempore Perata's Proposal (SB 48)</b>	<b>Assembly Speaker Nuñez's Proposal: <i>Fair Share Health Care</i></b>
	<p>clients.</p> <ul style="list-style-type: none"> <li>▪ Facilitate the use of innovative financing mechanisms to ensure the development of public/private partnerships and to meet capital needs for important HIT-related projects.</li> <li>▪ Expand broadband capabilities to facilitate the use of tele-medicine and tele-health, particularly in underserved areas.</li> </ul>		<p>system. As a long-term strategy, the state will require adoption of standard electronic medical records (EMR), compatible across providers and systems, by January 1, 2012.</p> <p><i>Centralized technology assessment.</i> The state will identify opportunities to centralize and coordinate public and private efforts to assess new and emerging medical technologies and treatments with the goal of reducing duplication, sharing the costs and improving the quality of the review process.</p>
<b>Simplified benefit designs</b>			<p>Uniform benefit designs will permit more meaningful comparison by employers and individuals, allowing "apples to apples" comparison of different coverage options based on price, network and quality. Uniform benefits will also ease the administrative burden for providers. For example, health care economists estimate that up to half of all health care administrative costs are the result of duplication and waste.</p>
<b>Healthy lifestyles</b>	<p>Requires implementation of "Healthy Action Incentives/Rewards" programs in both the public and private sectors to encourage the adoption of healthy behaviors. The program will reward Californians for participation in evidence-based practices and behaviors that have been shown to reduce the burden of disease and are cost effective. Individuals in public programs will earn rewards that may include gym memberships or weight management programs. Participants enrolled in commercial plans</p>	<p>Requires participating health plans to implement evidence-based practices to incentivize healthy lifestyles.</p>	<p>California will adopt and encourage fitness, wellness and health promotion programs that promote safe workplaces, healthy employer practices and individual efforts to improve health.</p>

**WORKING DRAFT**

California State Association of Counties

January 16, 2007

Page 8

## Health Care Reform Packages from Leadership

	<b>Governor's Proposal</b>	<b>Senate President Pro Tempore Perata's Proposal (SB 48)</b>	<b>Assembly Speaker Nuñez's Proposal: <i>Fair Share Health Care</i></b>
	will earn rewards and incentives that include premium reductions for engaging in healthy activities.		
<b>Billing practices</b>	<ul style="list-style-type: none"> <li>Requires health plans, insurers and hospitals to spend 85% of every dollar in premium and health spending on patient care.</li> <li>Revise the amount an insurer must pay a hospital when insured persons need treatment outside of their network so insurers will not need "defensive contracting" to protect against high daily rates from out-of-network providers.</li> </ul>	Requires participating health plans to implement practices to control health care costs, including standardized billing practices.	
<b>Medical errors</b>	<ul style="list-style-type: none"> <li>Require electronic prescribing by all providers and facilities by 2010 to substantially reduce adverse drug events</li> <li>Require new health care safety measures and reporting requirements in California's health facilities to reduce medical errors and hospital acquired infections by 10% over 4 years.</li> <li>Ask California's health facilities to implement evidence-based measures to prevent harm to patients and provide state technical assistance.</li> <li>Create a university-based academic "re-engineering" curriculum designed to improve patient safety and streamline costs within the health care delivery system.</li> </ul>	Requires participating health plans to implement evidence-based practices for reducing medical errors.	
<b>Cost sharing</b>	<p>Includes cost sharing for individuals in the state subsidized pool and in Healthy Families. The individual/family contribution toward the premiums for the state subsidized pool will be as follows:</p> <ul style="list-style-type: none"> <li>100-150% of FPL: 3% of gross income</li> <li>151-200% of FPL: 4% of gross income</li> </ul>	<p>Requires participating health plans to implement evidence-based practices for appropriate patient cost sharing.</p> <p>Includes sliding scale fees for expanded Medi-Cal population.</p>	Includes sliding scale fees for expanded Medi-Cal population.

**WORKING DRAFT**

## Health Care Reform Packages from Leadership

	<b>Governor's Proposal</b>	<b>Senate President Pro Tempore Perata's Proposal (SB 48)</b>	<b>Assembly Speaker Nuñez's Proposal: <i>Fair Share Health Care</i></b>
	<ul style="list-style-type: none"> <li>201-250% of FPL: 6% of gross income</li> </ul>		
<b>Tax break for employees</b>	<ul style="list-style-type: none"> <li>Align state tax laws with federal laws by allowing persons to make pre-tax contributions to individual health care insurance Health Savings Accounts.</li> <li>Require employers to establish "Section 125" plans so that employees can make tax-sheltered contributions to health insurance and save employers additional FICA contributions.</li> </ul>		By requiring employers to establish a Section 125 plan, employees will be able to pay their portion of health care premiums with pre-tax, rather than post-tax dollars, using federal and state tax benefits to lower out-of-pocket costs.
<b>Health Insurance Market Reforms</b>			
<b>Medical Underwriting</b>	Insurers will be required to guarantee coverage to all, with limits on how much they can charge based on age or health status, so that all individuals have access to affordable products.	<i>Underwriting standards.</i> Contracting plans would be required to provide guaranteed issue and community rating. Individuals with pre-existing medical conditions who cannot get health insurance now or who are effectively priced out of the market would be able to get coverage through the Connector.	<i>Simplified medical underwriting.</i> To improve access to coverage, this proposal will: (1) mandate a standard form for all health plans and insurers to use in screening applicants for coverage, (2) direct MRMIB to seek expert advice and develop an appropriate list of health conditions that can qualify as excludable pre-existing conditions, such as cancer and heart disease, and (3) prohibit exclusions from coverage for relatively minor health conditions or health service use.
<b>High risk pool</b>	This proposal calls for elimination of California's high risk pool for medically uninsurable persons, the Major Risk Medical Insurance Program (MRMIP) because insurers will be required to guarantee coverage to all.		This proposal calls for restructuring California's high risk pool for medically uninsurable persons, the Major Risk Medical Insurance Program (MRMIP), to provide coverage for all persons who are excluded from health insurance coverage because they have one of the predetermined health conditions. Funding for the restructured program will be based on a surcharge on health insurance premiums.
<b>Uniform benefits</b>			This proposal will require all health

**WORKING DRAFT**

California State Association of Counties

January 16, 2007

Page 10

## Health Care Reform Packages from Leadership

	<b>Governor's Proposal</b>	<b>Senate President Pro Tempore Perata's Proposal (SB 48)</b>	<b>Assembly Speaker Nuñez's Proposal: <i>Fair Share Health Care</i></b>
			insurers to offer and sell several uniform benefit designs that will also be available in Cal-CHIPP. Cal-CHIPP will offer at least three uniform benefit designs that will also be offered by all insurers in the private market. Standardizing the products allows purchasers to better compare choices and costs, on an "apples to apples" basis. Individuals and employers will still be able to purchase other benefit packages but they can take advantage of standardization in the market.
<b>Medi-Cal and Healthy Families</b>			
<b>How are Medi-Cal and Healthy Families impacted?</b>	<p>The state would change eligibility for Medi-Cal and Healthy Families for children. All children under 100% of the FPL would be eligible for Medi-Cal. Currently children 0-1 are eligible for Medi-Cal up to 200% of FPL, and children age 1-5 are eligible up to 133% of the FPL.</p> <p>All children from 101-300% of FPL, including those formerly on Medi-Cal, would be eligible for Healthy Families. These children's families would be responsible for the cost of premiums and co-pays.</p> <p>Additionally, the state will pursue a federal waiver to make childless adults up to 100% of the FPL eligible for Medi-Cal.</p> <p>The Managed Risk Medical Insurance Board (MRMIB) would operate a state purchasing pool for uninsured legal resident adults with incomes between 100-250% of the federal poverty level. The</p>	<p>This plan also proposes securing additional federal funds to defray the cost of the program. The Perata plan proposed to expand eligibility for Medi-Cal and Healthy Families to parents and children (solely Healthy Families) up to 300% of the FPL. In order to implement the expansion to the Medi-Cal program both a Medicaid State Plan Amendment and a Medicaid Waiver will be necessary.</p> <p>Under this proposal, the expanded Medi-Cal program (up to 300% of FPL) is not intended to be an entitlement and would not have the same benefit structure as for current enrollees. Additionally, the plan proposes to obtain permission from the federal government to waive most of the administrative requirements associated with enrolling in the expanded Medi-Cal program.</p>	<p>This proposal calls for a combination of state subsidies and an expansion of Medi-Cal/Healthy Families for those at or below 300% of FPL with sliding scale cost sharing based on income.</p> <p>The proposal covers all children, extends coverage to parents and eventually covers low-income adults with no children.</p> <p>Employees and their dependents eligible for Medi-Cal or Healthy Families will get their primary coverage through an employer plan, if available, and be eligible for supplemental coverage, if necessary, to ensure Medi-Cal or Healthy Families benefit levels.</p>

**WORKING DRAFT**

## Health Care Reform Packages from Leadership

	<b>Governor's Proposal</b>	<b>Senate President Pro Tempore Perata's Proposal (SB 48)</b>	<b>Assembly Speaker Nuñez's Proposal: <i>Fair Share Health Care</i></b>
	individual/family contribution toward the premiums for the pool will be as follows: <ul style="list-style-type: none"> <li>▪ 100-150% of FPL: 3% of gross income</li> <li>▪ 151-200% of FPL: 4% of gross income</li> <li>▪ 201-250% of FPL: 6% of gross income</li> </ul>	To be sure there is an affordable product, the Connector would be authorized to buy coverage through the Medi-Cal Managed Care program.	
<b>Implementation Timetables</b>			
	Not provided. Administration officials have stated that they would want one year of public education on the individual mandate before the requirements would go into effect.	Not provided.	<ul style="list-style-type: none"> <li>▪ Enroll all children who are eligible for existing programs and cover the remaining uninsured children by July 1, 2008.</li> <li>▪ Implement insurance market reforms by July 1, 2008.</li> <li>▪ Implement the employer/employee pay or play requirement and the new Cal-CHIPP by January 1, 2009.</li> <li>▪ Expand coverage to low-income, unemployed and childless adults within five years.</li> </ul>
<b>Cost Analysis</b>			
<b>Estimated cost.</b>	\$12 billion	Between \$5 and \$7 billion.	Not provided.
		The California HealthCare Foundation has agreed to assist in developing objective, data driven estimates of the costs and savings from this proposal.	The California HealthCare Foundation has agreed to assist in developing objective, data driven estimates of the costs and savings from this proposal.

**WORKING DRAFT**